

KENTUCKY PUBLIC EMPLOYEES’ DEFERRED COMPENSATION PLANS

3rd Quarter 2004 Performance Results of Investment Options - Without Plan Asset Fee Charges

The following are the percentage changes in Net Assets (with capital gains and income dividends reinvested) for the funds under the Plan, without reduction for Plan Charges for the respective periods ended **September 30, 2004**. The results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. Performance data current to the most recent month-end may be obtained by visiting [www.kentuckydcp.com](http://www.kentuckydcp.com). Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Prospectuses are available by calling 502-573-7925 or 800-542-2667. Read the prospectus carefully before investing. Please see other important disclosures at the end of this report.

Investment Options <i>(fund class, inception date)</i> <i># on Watch List</i>	Total Return		Average Annual Return			
	Three Month	One Year	Three Year	Five Year	Ten Year	Since Inception*
CATEGORY						
Stable Value:	Current Yield					
Fixed Contract Fund 3 (1)	4.10%	1.02%	4.12%	4.84%	5.45%	5.86%
Money Market:**						
Federated Prime Obligations Fund (Instl Shares)	1.57%	0.32%	1.04%	1.42%	3.09%	4.29%
	Net Asset Value Sept. 30, 2004					
Target Year Life Cycle Asset Allocation Funds:						
The Fidelity Freedom Income Fund (10/96)		0.54%	3.82%	3.66%	4.24%	5.96%
The Fidelity Freedom 2010 Fund (10/96)		0.00%	7.66%	5.67%	3.70%	8.14%
The Fidelity Freedom 2020 Fund (10/96)		-1.06%	10.39%	6.19%	2.34%	7.95%
The Fidelity Freedom 2030 Fund (10/96)		-1.66%	11.59%	6.08%	1.29%	7.44%
Bonds:						
Federated U.S. Government Securities Fund: 2-5 Years (Instl Shares)		2.02%	1.18%	4.36%	6.28%	6.28%
Vanguard GNMA Fund (Admiral Shares) (2/01) (2)		2.55%	3.59%	5.02%	6.82%	7.38%
Vanguard Total Bond Market Index Fund (Admiral Shares) (9/01) (2)		3.11%	3.54%	5.11%	6.99%	7.38%
Vanguard LT Investment Grade (Admiral Shares) (2/01) (2)		6.51%	6.25%	8.91%	9.16%	8.96%
Neuberger Berman High Income Fund (Investor Class) †		4.49%	9.54%	9.55%	7.86%	8.20%
Balanced:						
Vanguard Wellington Fund (Admiral Shares) (5/01) (2)		1.67%	14.36%	7.97%	6.69%	11.47%
Large-Cap Stocks:						
Fidelity Equity-Income Fund		-1.42%	16.59%	6.27%	3.25%	10.69%
Davis NY Venture Fund (Class A)		-1.18%	19.05%	8.02%	4.27%	13.28%
Vanguard Institutional Index Fund		-1.87%	13.84%	4.06%	-1.25%	11.15%
Fidelity Contrafund		-0.63%	17.50%	9.20%	3.16%	12.72%
MFS Massachusetts Investors Growth Stock Fund (Class A) #		-4.04%	5.99%	-0.15%	-5.00%	10.36%
Fidelity Growth Company Fund		-6.40%	8.16%	4.45%	-1.24%	11.13%
Putnam Voyager Fund (Class A) #		-5.04%	4.73%	-0.77%	-4.40%	8.24%
Mid-Cap Stocks:						
One Group Mid-Cap Value Fund (Class A)		-1.73%	19.33%	10.96%	11.87%	12.43%
Vanguard Mid-Cap Index Fund (Admiral Shares) (11/01) (2)		-0.86%	19.11%	12.29%	10.59%	9.35%
T. Rowe Price Mid-Cap Growth Fund		-2.14%	18.44%	11.65%	7.93%	14.33%
Federated Kaufmann Fund (Class K)		-5.17%	7.19%	9.42%	13.02%	12.88%
Franklin Small-Mid-Cap Growth Fund (Class A)		-4.22%	13.70%	6.51%	2.11%	11.46%
Small-Cap Stocks:***						
American Century Small-Cap Value Fund (Investor Class) (7/98)		-1.29%	24.21%	15.52%	18.99%	15.53%
Neuberger Berman Genesis Fund (Trust Class)		-1.40%	22.55%	16.89%	17.35%	15.94%
Dreyfus Small-Cap Stock Index Fund (6/97)		-1.38%	24.09%	15.31%	10.98%	8.94%
Brown Capital Management Small Company Fund (Institutional Class)		-6.55%	2.11%	2.51%	6.23%	12.86%
International Stocks:****						
Templeton Foreign Fund (Class A)		0.92%	15.81%	11.20%	4.53%	6.90%
American Funds EuroPacific Growth Fund (Class R4)		0.48%	20.13%	9.56%	2.25%	8.39%
Federated International Small Company Fund (Class A) (2/96)		-1.40%	18.71%	13.64%	-0.93%	12.23%
Specialty/Sector Funds:*****						
Janus Global Technology Fund (12/98)**** #		-11.45%	-2.01%	-0.04%	-11.94%	-0.92%
MARKET INDICES						
Three Month Treasury Bill Index		0.32%	1.04%	1.41%	2.96%	4.08%
Lehman Brothers Aggregate Bond Index		3.20%	3.68%	5.88%	7.48%	7.66%
Standard & Poor's 500 Stock Index		-1.87%	13.87%	4.05%	-1.31%	11.08%
Standard & Poor's Mid Cap 400 Index		-2.10%	17.55%	12.42%	10.51%	14.47%
Russell 2000 Index		0.15%	25.66%	17.69%	14.71%	13.40%
MS Europe, Australia, Far East Index		-0.28%	22.08%	9.12%	-0.85%	4.02%
Market indices have been provided for comparison purposes only; they are unmanaged and reflect no fees. Individuals cannot invest directly in an index.						

- (1)

The stable value fund, managed by INVESCO, is a portfolio of investment contracts issued by insurance companies, banks and other financial institutions. This is not a publicly traded fund. Accounts are credited with an interest rate which when compounded daily equals the current yield, less Plan charges.
- (2)

Returns include performance based on the "Investors" Class which was achieved prior to the operation of the "Admiral" Class. The returns prior to this date have not been recalculated using fees applicable to Admiral Class shares.
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Return since fund class first came into existence if less than period indicated.
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An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although the money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the money market. The money market fund current yield is the annualized historical yield for the 7-day period ending on the last day of the calendar quarter.
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Small company funds involve increased risk and volatility.
- \*\*\*\*

International investing involves additional risks including: political instability, currency fluctuations, differences in accounting standards, and foreign regulations.
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Since each of these funds focuses its investments on companies involved in one specific sector, the fund may involve a greater degree of risk than an investment with greater diversification.
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High yield funds are typically subject to greater risk and price volatility than funds which invest in higher-rated debt securities.

N/A = return not available  
Note: Any comparisons should be made only after a recognition of the differences in the investment policies and objectives of the companies' investments. The Fixed Contract Fund has an annual Plan recordkeeping fee of .35% and the Authority's fee on the other Board Administered funds will not exceed a maximum annual Plan recordkeeping fee of .35%. None of the above returns reflect the deduction of any Plan charges which may be assessed to Plan participants, which would reduce the performance quoted. However, the underlying fund expenses are reflected.